

Roadmap

for Trinidad and Tobago

Post COVID-19 PANDEMIC





FIGURES

VI

LIST OF ACRONYMS

VI



<u>EXECUTIVE SUMMARY</u>	<u>1</u>
<u>INTRODUCTION</u>	<u>2</u>
<u>1 CONTEXT</u>	<u>4</u>
1.1 PRIOR TO COVID-19: AN ECONOMY ON THE ROAD TO RECOVERY	4
1.2 GLOBAL AND REGIONAL CONTEXT	5
1.2.1 GLOBAL GROWTH FORECASTS	5
1.2.2 EMPLOYMENT	6
1.2.3 ENERGY COMMODITY PRICES	6
1.3 IMPACT OF COVID-19 IN TRINIDAD AND TOBAGO	7
1.3.1 COVID-19 PUBLIC EXPENDITURE	8
1.4 COVID-19 IMPACT ON VULNERABLE GROUPS AND KEY SECTORS	9
<u>2 SHORT-TERM ENVIRONMENT</u>	<u>22</u>
<u>3 ROADMAP OBJECTIVES</u>	<u>26</u>
3.1 OBJECTIVE 1 – SOCIAL PROTECTION: LEAVE NO ONE BEHIND	27
3.2 OBJECTIVE 2 – RETAIN AND CREATE JOBS	27
3.3 OBJECTIVE 3 – BOOST AGGREGATE DEMAND	28
3.4 OBJECTIVE 4 – MINIMIZE AND REMEDIATE SUPPLY DISRUPTIONS	28
<u>4 SURVIVING THE CRISIS: SUSTAINING LIVES AND LIVELIHOODS</u>	<u>30</u>
4.1 PROTECTING THE VULNERABLE AND THE DISPLACED AND USING THE SOCIAL SAFETY NET TO BUILD A STRONGER T&T	30
4.1.1 EXPANDING THE SCOPE AND FOCUS OF SOCIAL PROTECTION PROGRAMMES	30
4.1.2 DEEPENING THE INVOLVEMENT OF CIVIL SOCIETY ORGANISATIONS IN THE DELIVERY OF SOCIAL PROTECTION PROGRAMMES	31
4.2 SAFELY RESTARTING THE ECONOMY: REIGNITING AGGREGATE DEMAND, EMPLOYMENT AND AGGREGATE SUPPLY	32
4.2.1 HEALTH FIRST: ADOPTING WORKPLACE PROTOCOLS FOR THE SAFE RETURN TO WORK	32
4.2.2 ADOPTING POLICY POSITIONS TO IMMEDIATELY AND AGGRESSIVELY BOOST THE AGRICULTURE SECTOR	32
4.2.3 INCREASING SPENDING IN THE CONSTRUCTION SECTOR	34
4.2.4 PROVIDING APPROPRIATE RELIEF TO BUSINESS ENTERPRISES PARTICULARLY MSMEs	35
4.2.5 SUSTAINING ECONOMIC ACTIVITY IN ENERGY AND ENERGY RELATED INDUSTRIES	37
4.2.6 PROVIDING APPROPRIATE FINANCIAL RELIEF THROUGH BANKING AND INSURANCE INSTITUTIONS AND CREDIT UNIONS	38
4.2.7 STIMULATING ECONOMIC ACTIVITY IN TOBAGO	40
4.2.8 DISCOURAGING IMPORTS OF LUXURY GOODS	41

4.3	ENABLING ENVIRONMENT	42
4.3.1	<i>BUILDING A DIGITAL NATION: MAKING IT EASY TO DO BUSINESS</i>	42
4.3.2	<i>BUILDING INSTITUTIONAL CAPACITY</i>	44
4.3.3	<i>CRITICAL SUPPORTING INFRASTRUCTURE</i>	45
4.3.4	<i>REIGNITING OUR NATIONAL VALUE SYSTEM: CREATING AN ENVIRONMENT OF HARMONY AND INCLUSIVENESS</i>	46

5 **MANAGING THE FISCAL CRISIS** **49**

6 **EXECUTING THE ROADMAP** **51**

APPENDICES **54**

APPENDIX 1 **55**

APPENDIX 2 **57**

FIGURES

Figure 1: Overarching Strategy for Economic Recovery	1
Figure 2: Growth Projections in COVID-19 (IMF, April 2020)	3
Figure 3: COVID-19 Statistics on T&T (May 9, 2020)	5
Figure 4: WHO's Guidelines for Adjusting Public Health and Social Measures	19
Figure 5: Roadmap Objectives	22
Figure 6: T&T Rankings on World Bank's Doing Business Topics	37
Figure 7: Economic Impact of COVID-19 with and without Fiscal Stimulus.....	54

LIST OF ACRONYMS

B2G	Business to Government
BHP	BHP Billiton Trinidad and Tobago
bpTT	British Petroleum Trinidad and Tobago
C2G	Citizen to Government
CAF	Development Bank of Latin America
CARICOM	Caribbean Community
CARIRI	Caribbean Industrial Research Institute
CCD	Commissioner for Cooperative Development

CDB	Caribbean Development Bank
CSOs	Civil Society Organisations
DFID	Department for International Development
EMBD	Estate Management and Business Development Company
EU	European Union
FY	Fiscal Year
GDP	Gross Domestic Product
GEF	Global Environment Facility
GORTT	Government of the Republic of Trinidad and Tobago
HEU	HEU, Centre for Health Economics
IDB	Inter-American Development Bank
IBIS	National Integrated Business Incubation System
ICT	Information, and Communication Technology
ILO	International Labour Organisation
IMF	International Monetary Fund
JICA	Japan International Cooperation Agency
LNG	Liquefied Natural Gas
MHTL	Methanol Holdings Trinidad Limited
MSMEs	Micro, Small and Medium Enterprises
NAMDEVCO	National Agricultural Marketing and Development Company
NEDCO	National Entrepreneurship Development Company
NGO	Non-Governmental Organisation
NTAC	National Tripartite Advisory Council
PPE	Personal Protective Equipment
PPP	Public Private Partnership
RHAs	Regional Health Authorities
SMEs	Small and Medium Enterprises
SPT	Supplemental Petroleum Tax
T&T	Trinidad and Tobago
TCL	Trinidad Cement Limited

THA	Tobago House of Assembly
TTMA	Trinidad and Tobago Manufacturers Association
TTCSI	Trinidad and Tobago Coalition of Service Industries
US	United States of America
USAID	United States Agency for International Development
UWI	The University of the West Indies
VAT	Value Added Tax
WHO	World Health Organisation
WTI	West Texas Intermediate
YBTT	Youth Business Trinidad and Tobago

EXECUTIVE SUMMARY

Like all global economies, Trinidad and Tobago (T&T) has been compelled to grapple with the unprecedented and adverse health and economic crisis triggered by the COVID-19 pandemic. Conservatively, the combination of the pandemic and the oil shocks has generated over \$4 billion in losses to the local economy in the last quarter (January – March 2020). It has also transformed almost every aspect of our personal, community and national life. The reality is that the world that we have become accustomed to and life as we know it have changed and will quite possibly never return.

Using a science-based proactive approach, the Government of Trinidad and Tobago (GORTT) has been successful thus far in navigating the country away from the rapid and uncontrolled spread of the virus. However, even with this level of current success there is still more that has to be done.

The Roadmap to Recovery Committee has focused on three (3) immediate priorities:

- (i) addressing and mitigating the hardship inflicted by COVID-19;
- (ii) restarting the economy; and
- (iii) laying the foundation for sustained economic recovery.

Quick, immediate and deliberate action is required as it is projected that even with the resumption of work, the increased level of uncertainty coupled with COVID-19 related protocols may likely result in increased unemployment and under-employment, as companies adjust their wage bills consistent with reduced demand. It will be important to respond to the fallout at the household level. Moreover, the macroeconomic environment required to support the priorities mentioned must be one that is geared towards increasing liquidity and disposable income in circulation in the economy, within the shortest possible time. This will have a positive knock-on effect on aggregate demand with well-established additional multiplier benefits.

The prevailing risks in the environment require increased focus by the Government during the immediate period of the next six (6) months, as the instigator, influencer and facilitator of aggregate demand and the protector of jobs and businesses activity. The Committee recognises that both the private and public sectors will have to play significant roles in the short-term to jumpstart the economy.

The Committee has identified the following as short-term objectives:



The achievement of these objectives can best be accomplished in the following ways:

- Strengthening the Social Safety Net by improved technology and deepening the involvement of civil society organisations (CSOs) in the delivery of social support programmes, with a focus on women, children and the dispossessed;
- Increasing the allocation for Social Safety Net programmes to as much as \$16 billion (from \$9 billion) in 2020, if necessary, given that the number of persons accessing the programmes is expected to increase by at least 50%;
- Implementing **Safe Back to Work Protocols** in accordance with guidelines established by the Ministry of Health;
- Adopting policy decisions to immediately boost and sustain the Agriculture Sector with emphasis on:
 - Increasing production to reduce dependence on imported food and inputs;
 - Strengthening the linkages along the food value and distribution chains to make more locally produced food available within the country e.g. in school feeding programme;
 - Building a more technologically advanced agriculture system to increase the availability of domestic food supply.
- Stimulating economic activity in Tobago through the following:
 - Executing key projects including the new Crown Point Terminal Complex;

- Enhancing channels to supply aggregate and other materials from Hardrock Quarry to Trinidad and other Caribbean locations such as Guyana;
- Providing direct support to Tobago Businesses and the boosting of local tourism;
- Supporting the development of technology-driven agriculture.
- Increasing spending in the Construction Sector by both the Government and the Private Sector;
- Enhancing economic activity in the Energy Sector by, *inter-alia*, Fast-tracking scheduled maintenance, construction, and drilling projects, restructuring the Oil and Gas Industry to improve competitiveness and recalibrating the gas value chain; and
- Providing appropriate financial support to individuals and businesses at all levels through Banking and Insurance Institutions and Credit Unions.

COVID-19 has forced the Government, private sector and CSOs to rethink how technology can be leveraged to effectively navigate the crisis and accelerate the recovery process. A key imperative for execution of the Roadmap's interventions is an "*all hands on deck*" approach to proactively transform the capability and capacity of the Government to the digital economy. This digital transformation will require an execution team working in partnership with the private sector and civil society in several key areas – restructured business processes, digital capabilities/training, technology, flexible IT architecture, and innovation/experimentation.

The COVID-19 crisis is the long-needed impetus for T&T to begin unlocking the potential of digital technology to quickly change its way of doing business. This Digital Vision must be led by suitably trained sons and daughters of the soil and enabled by leaders with the commitment to transform the society, and with the credibility and capacity to mobilise change. As a result, work will now be accelerated towards creating a '*Digital First Government*' with the first feature being the creation of an e-identity for each citizen and legal resident that:

- will be mandatory to access Government services;
- will be managed by Government in a state-run or approved private data centre;
- will supersede all existing identifiers;
- aligns with the electronic processing of all Government services and digital commerce activities.

The Committee has also defined a series of cogent, practical and compelling actions in the areas of Ease of Doing Business, Building Institutional Capacity, Critical Supporting Infrastructure and National Value System. These enabling pillars will support and facilitate the success of this Roadmap as they cut across all sectors and will enhance the adaptability of the society to the dynamic forces of digitization and globalisation. This is the least that is required in the wake of COVID-19.

In respect of financing, the fiscal deficit for FY 2020, which was originally estimated at \$5.3 billion, is now expected to expand to \$15.5 billion, \$10.2 billion higher than was envisaged in the FY 2020 Budget. The Committee, working in collaboration with the Ministry of Finance, has identified various innovative sources for mobilising additional financing for the next three (3) months with the possibility of further funding in six (6) months to one (1) year, if needed.

The strategies required for rebooting the economy and the wider society require partnership among the Government, private sector and civil society, agility in the supporting institutions and a culture that fosters productivity, efficiency, performance and harmony. The recommendations proposed in this Roadmap highlight the significance of ensuring public health and take into account the sensitivity of the intangible and material changes arising from COVID-19.

Introduction

On April 16, 2020, the Prime Minister of the Republic of Trinidad and Tobago Dr. the Honourable Keith Rowley appointed a High-Level Multi-Sectoral Committee with the mandate to draft a **Roadmap for Trinidad and Tobago** in the wake of the COVID-19 pandemic.

The Roadmap is intended to guide the Government's actions in the immediate short-term as the country navigates a challenging period ahead, driven by changing global, regional and national circumstances and a new 'normal' characterised by uncertainty and volatility, and likely reduced economic activity.

It is equally important for the Roadmap to establish a solid foundation for the transformation of the economy and the accelerated and sustained development of our society over the medium to long-term. This latter work will be the focus of the Final Report of the Committee.

In the preparation of this First Report, the Committee has consulted extensively, engaging with stakeholders across the various sectors with the common purpose of '**survival first**' while laying the foundation for the restart and recovery of the economy. The inclusive collaboration, thus far, has set a positive and constructive tone for the continuing work of the Committee and for building an environment of productive deliberations and unified purpose for our collective determination to **make Trinidad and Tobago better than before the crisis of COVID-19**.

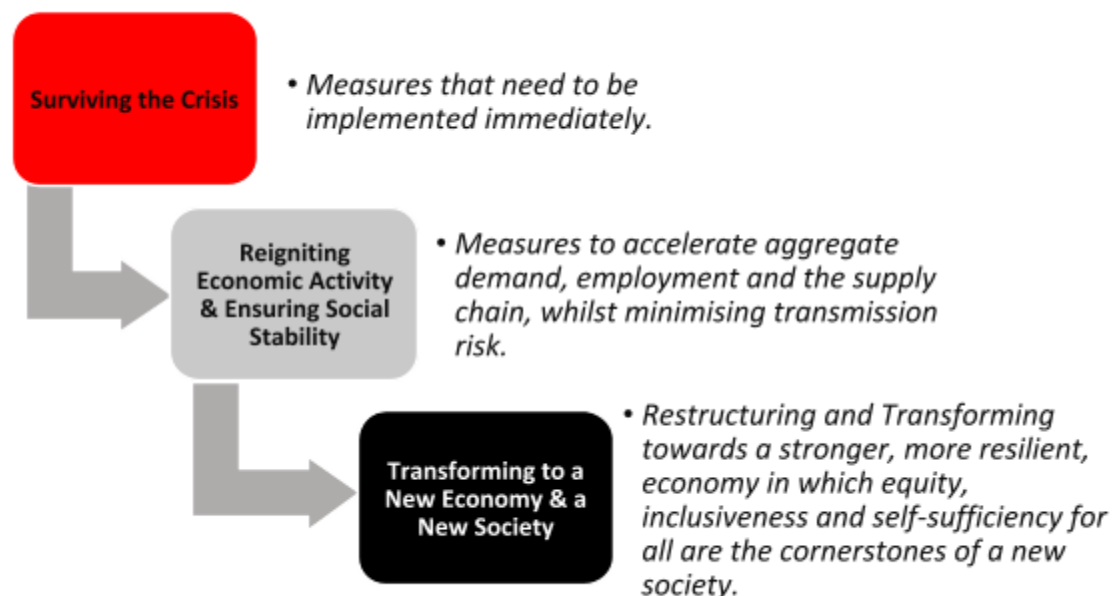


Figure 1: Overarching Strategy for Economic Recovery



Roadmap for Trinidad and Tobago

1

CONTEXT



1 Context

1.1 Prior to COVID-19: An Economy on the Road to Recovery

Prior to the onset of the COVID-19 pandemic in the first quarter of 2020, Trinidad and Tobago had begun to emerge from a depressed economic environment triggered by the sudden collapse of global energy commodity prices in the period 2014-2015 and a concomitant drastic decline in Government's Revenues.

At the time of the 2020 Budget presentation in October 2019, overall economic growth for the calendar year 2019 was projected at 0.9 % (World Bank estimate), which reflected an improving domestic economy, steadily recovering from negative growth rates of -6.3% in 2016, -2.3% in 2017 and flat growth in 2018.

Growth estimates, at that time, for the medium-term horizon were forecasted for 2020, 2021 and 2022 at 1.9%, 4.1%, and 3.6%, respectively. The return to growth was hinged on an improving global economic environment and an expansion in the production of oil and gas.

The forecasted growth was based on a judicious sequencing of internal adjustments in economic policy designed to create more efficient public expenditure and was buoyed by a long period of exchange rate stability, stabilisation of public sector debt levels within internationally accepted benchmarks, maintenance of significant financial buffers in the form of the Heritage and Stabilization Fund, a tight control of inflationary pressures and generally low levels of unemployment.

The historical strength of these economic indicators has provided an important anchor for Trinidad and Tobago to respond in the crisis precipitated by the COVID-19 pandemic.

T&T's resilience in the face of the COVID-19 pandemic has been highlighted in the May 2, 2020 edition of The Economist where T&T was ranked 15 out of 66 emerging economies in terms of its financial strength.

The indicators examined were public debt, foreign debt, cost of borrowing (particularly the likely payments for 2020) and reserve cover.

T&T also ranked in the top 3 in terms of reserve cover despite challenges in the international economy.

1.2 Global and Regional Context

1.2.1 Global Growth Forecasts

The global response to COVID-19 has largely involved Stay-at-Home Orders and voluntary individual responsibility to contain the loss of life, with such measures triggering a severe depression in economic activity. As a result, the global economy, according to the International Monetary Fund (IMF) in its April 2020 World Economic Outlook (Figure 2), is projected to contract sharply by at least 3.0% in 2020, much worse than during the 2008–2009 financial crisis.

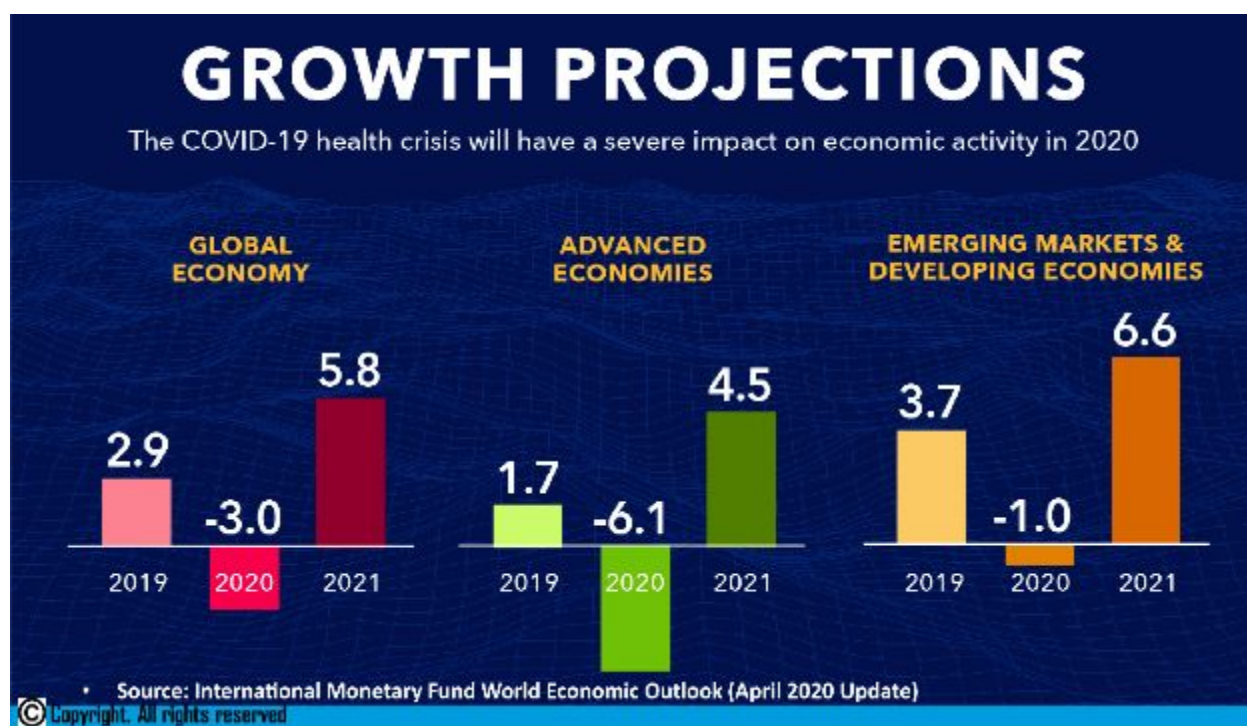


Figure 2: Growth Projections in COVID-19 (IMF, April 2020)

On the assumption that the pandemic subsides in the second half of 2020 and containment efforts can be gradually unwound, the IMF projects global growth of 5.8% in 2021 as economic activity normalises, aided by policy support. It must be emphasised that there is extreme uncertainty over the global growth forecast. The economic fallout is influenced by factors which interact in a myriad of ways that are hard to predict, such as:

- the spread of the virus;
- the intensity and efficacy of containment efforts;
- the extent of supply disruptions;
- the repercussions of the dramatic tightening in global financial market conditions;
- shifts in spending patterns;

- behavioural changes, such as people avoiding shopping malls; and
- public transportation, physical distancing, and confidence effects.

Countries around the world are currently confronting a multi-layered crisis comprising a health shock; domestic economic disruptions; plummeting external demand; capital flow reversals; and a collapse in commodity prices. Trinidad and Tobago is not immune from these exogenous forces, and is in the short and medium-term likely to also be additionally impacted by volatile, lowered commodity prices. Put simply, the country will be required to navigate and grow in a challenging regional and international environment. The predicament is that institutions being called upon to drive the response are the same institutions in crisis.

1.2.2 Employment

Preliminary International Labour Organisation (ILO) estimates point to a significant rise in global unemployment and underemployment in the wake of the virus. Based on different scenarios for the impact of COVID-19 on global gross domestic product (GDP) growth, preliminary ILO estimates indicate a rise in global unemployment of between 5.3 million and 24.7 million from a base level of 188 million in 2019. Though these estimates remain highly uncertain, all recent indications suggest a substantial rise in global unemployment. Comparatively, the global financial crisis of 2008-9 increased unemployment by 22 million.

1.2.3 Energy Commodity Prices

Economically, in the first quarter of 2020, there has been an unprecedented collapse of oil prices as a result of a price war between Russia and Saudi Arabia. This triggered price reduction in oil from US\$60 a barrel in January to US\$30 a barrel in March. Immediately thereafter, the global economic shutdown resulting from COVID-19, further depressed the demand for oil causing the May futures price for West Texas Intermediate (WTI) oil to decline to 1 US cent per barrel. Oil prices turned negative for the first time in history on April 20, 2020.

This country's other major energy commodity, natural gas, has also experienced a sharp downward trend in prices since September 2019 as a result of weak demand, the restarting of nuclear power plants in Japan - as a direct substitute for energy - and a sharp increase in the availability of liquefied natural gas (LNG) from non-traditional exporters.

These conditions have and will continue to adversely impact the real and fiscal sectors of the domestic economy as mainstream revenue earners.

1.3 Impact of COVID-19 in Trinidad and Tobago

The COVID-19 pandemic has created a deep public health and economic crisis. The negative impacts of the pandemic have been exacerbated by an attendant economic fallout in global energy commodity prices. Every sector of the economy is now facing exceptional difficulty.

As of May 4, 2020, there were more than 3.5 million confirmed cases of COVID-19 and more than 247,000 deaths worldwide. The crisis is global in scale and scope, and the outlook is highly uncertain in the context of the emerging issues and the global effects of the pandemic. Domestically, the transmission of COVID-19 has been sporadic with the number of confirmed cases as of May 9, 2020, at 116 persons. These cases have largely been imported whereby persons contracted the virus through international travel and from primary contacts. Additionally, 104 people have been discharged from health facilities.



Figure 3: COVID-19 Statistics on Trinidad and Tobago (May 9, 2020)

Trinidad and Tobago will continue in the short and medium-term to be adversely impacted by volatile commodity prices and must navigate the complex range of problems confronting other countries globally.

The HEU, Centre for Health Economics, The University of the West Indies (UWI) has forecasted a 10.8% decline in the T&T economy in 2020 with losses conservatively estimated to amount to over \$4 billion in the last quarter. The HEU has also projected unemployment to reach almost 8% in the current year. When compared to the less than 4% average unemployment for the past few years, this is reason to be concerned.

1.3.1 COVID-19 Public Expenditure

Substantial budgetary resources have and are being directed to the health sector as the first line of defence

A University of Oxford Research Note places T&T 1st in the world in its readiness to exit lockdown in its publication, "Lockdown, rollback, recommendations for rolling back lockdown?" dated May 1, 2020.



Roadmap for Trinidad and Tobago



to protect the lives of our citizens and residents. In a direct response to the pandemic, additional medical personnel were hired, medical equipment and personal protective equipment (PPE) secured, hospitals and medical facilities upgraded and commissioned and specific sites were dedicated to treating infected persons. Step-down convalescing facilities have also been put in place.

Government has also moved swiftly to mobilise international financial resources to address the critical demands created by COVID-19. Government has sourced US\$300 million (TT\$2 billion) from five (5) various multilateral agencies – US\$20 million from the World Bank, US\$130 million from the Inter-American Development Bank (IDB), and US\$150 million from the Development Bank of Latin America (CAF). Government is also negotiating a further US\$500 million (TT\$3.4 billion) in budgetary support from other external sources. It has also raised TT\$500 million on the domestic market to pay for the increased goods and services for the Regional Health Authorities (RHAs) and to settle aged trade payables in the Health Sector.

Cumulatively, the increased Government expenditure to combat COVID-19 has been ring-fenced through a comprehensive social, financial and economic support package of measures. (APPENDIX 1). The fiscal deficit for FY 2020, which was originally estimated at \$5.3 billion, is now projected to expand to \$15.5 billion, \$10.2 billion higher than was envisaged in the FY 2020 Budget to ensure the health and personal well-being of our population.

The revised deficit is predicated on conservative prices of US\$25 per barrel for oil for the rest of the year and US\$1.80 per MMBTU for natural gas. This results in a projected loss of revenue in FY 2020 of \$9.2 billion, to which must be added another net \$1 billion in extraordinary expenditure. Government has also indicated that it will seek to utilise money from the Heritage and Stabilisation Fund, not exceeding US\$1.5 billion (TT\$10 billion) in any given year, for budgetary support in exceptional circumstances, such as the current pandemic. Various innovative financing sources have been identified for mobilising additional resources for the next three (3) months with the possibility of further funding in six (6) months to one (1) year, if needed.

1.3.2 COVID-19 Impact on Vulnerable Groups and Key Sectors

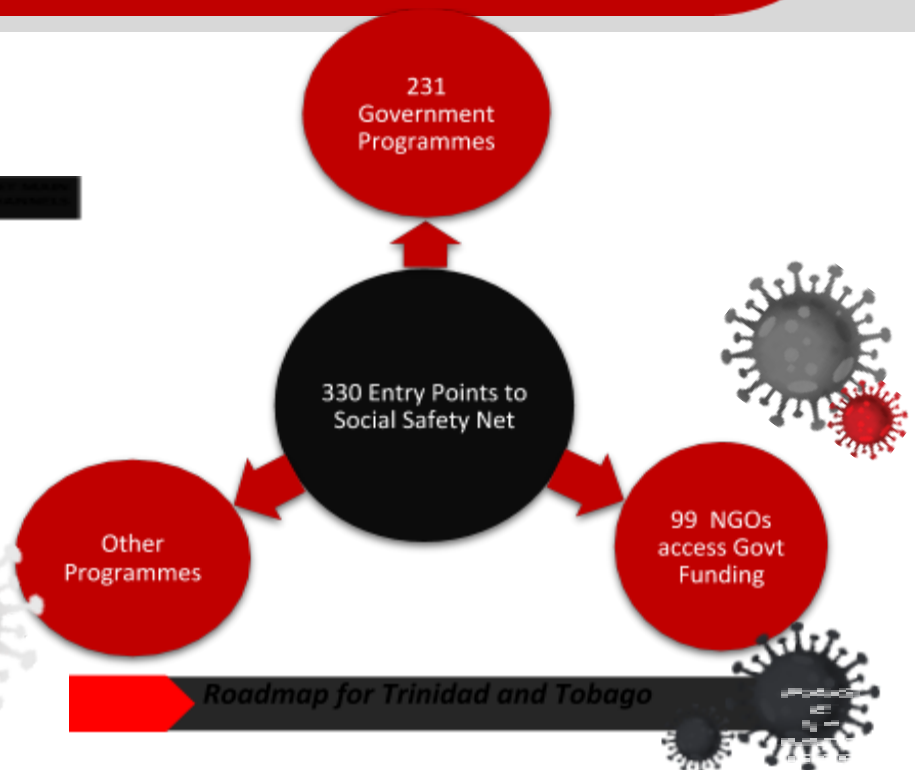
The pandemic has triggered billion-dollar losses in our local economy and wreaked havoc on life as we know it in Trinidad and Tobago. No sector has been spared, but for some, the force of disruption has been more distressing and acute. The vulnerable groups in our society have felt the brunt of the impact with the loss of employment and income threatening their livelihoods. Equally challenging, this crisis has further unmasked and deepened the inequities that exist in

the economy and at the wider societal level. The **Impact at a Glance on Vulnerable Groups and Key Sectors** follows.

Impact of

The Social Support System in Trinidad and Tobago is expansive and mainly Government-funded. Social programmes target the unemployed, physically or mentally disabled persons, women and children, the youth and the elderly and provide a range of offerings from food and income support initiatives to rental assistance and shelter support.

Roadmap for Trinidad and Tobago





VULNERABLE GROUPS

At present, the safety net consumes 6% of the country's income or TT\$9 billion. With the unfolding impact of COVID-19, coverage is projected to be in the range of between 7% and 10% of GDP in the short-term before settling at 7% in the coming year (2021).



This means that funding for the *Social Safety Net* may potentially exceed TT\$11 billion by the end of 2020.

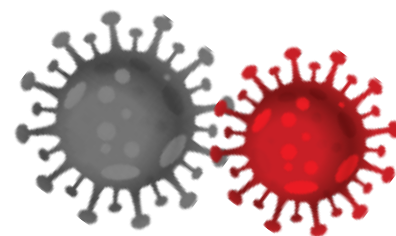
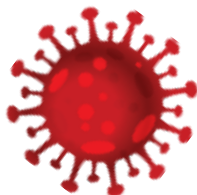
- q

The number of persons accessing the programmes is forecasted to increase by at least 50%, given the short term increase in the unemployment rate.

The expectation is that with the gradual reopening of the economy, the increase in the number of persons needing support will decline, but by the end of the year (2020) it is not expected to fall below XXX%.

EXPENDITURE ADJUSTMENTS

IN SOCIAL PROGRAMMES ARISING FROM COVID-19



Roadmap for Trinidad and Tobago





ENERGY SECTOR



Accounts for more than 80%
merchandise exports

of

Impact of
COVID-19
on the Energy
Sector

The start of 2020 has been a challenge for the Energy sector of Trinidad and Tobago. Globally energy prices have plummeted to unprecedented lows, and measures taken by countries to contain the spread of COVID-19 have resulted in a precipitous fall in global energy demand, which reinforces a low energy price cycle for the foreseeable future.

A RECENT SURVEY BY THE ENERGY CHAMBER OF TRINIDAD AND TOBAGO

Activity declined by 56% during the first quarter of 2020. Service companies, in particular, are estimated to lose on average, 57% of their revenues.

Many of the upstream international majors continue to commit to exploration and capital investment projects locally, COVID-19 restrictions have led to some delays.

In the downstream sector, low commodity prices have already resulted in the closure of four plants (Yara, Titan, Nutrien and the MHTL M3 plant), which has resulted in the loss of exports to the value of US\$25 million per month.

Four (4) major maintenance projects on downstream plants (turnarounds or TARs), have been postponed for later in the year. This has directly impacted the energy service and contracting companies.





AGRICULTURE SECTOR



Sector contributes less than 1% of GDP

Food Import Bill \$5.6 billion

The Agriculture Sector continues to operate as an essential service, and consequently, has not suffered as great a negative impact as other sectors. Ensuring the continuity of the supply of agricultural produce guided the sector's operations. However, the contraction in global and domestic economic activity has created severe challenges including disruptions in supply and distribution. The Government has taken immediate steps to mitigate challenges.



Decreased demand due to closure of schools and non-essential businesses

Mitigation efforts implemented:

- Provided free cold storage facilities from NAMDEVCO
- Changed to direct marketing methods through the use of social media
- Increased farmers access to Farmers' markets



Decreased PPP project implementation

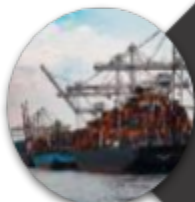
Aripo Livestock Station on hold



Increased threat of disruptions to household food security

Mitigation efforts implemented:

- Provided 50,000 seedlings to households
- Continued public market operations according to public health protocols
- Guided public consumption to more nutrient-dense local produce



Increased threat of supply bottlenecks

Mitigation efforts implemented:

- Identified alternative suppliers and negotiated prices on imported inputs
- Worked with local and global partners
- Introduced waiver of some Port charges
- Simplified import permit acquisitions





MANUFACTURING



Sector contributes
19.4% or TT\$30 billion

MICRO:	SMALL:	MEDIUM:	LARGE:
497	317	76	124
EMPLOYS:	EMPLOYS:	EMPLOYS:	EMPLOYS:
1,243	3,963	1,900	45,194

Employs
52,300 persons

The crisis has created an economic, labour market and export earnings shock, impacting the production of goods, consumption and investment. All businesses, regardless of size, are facing challenges, with a real threat of significant declines in revenue, job losses and loss of regional markets.

Based on a survey of
392 Manufacturers

Reduction in Exports 66% Decline

March to April 2018
\$729,887,785

March to April 2019
\$838,972,335

March to April 2020
\$283,125,946

85% decline
in Sales

60% experienced
a 50% reduction
in sales

REDUCTION IN EMPLOYMENT

49% closed
their operations

30%
reduced hours

17% kept on
employees

36% terminated
full time employees

58% furloughed at least
25% of their employees

55% terminated part time/
contract employees

36% terminated
permanent workers



CONSTRUCTION



Sector contributes 42% of GDP

(excludes construction & wholesale, retail & distribution services)

Accounts for 69% of employment

The termination, reduction in working hours or furlough of employees will have negative consequences on the national economy, poverty, quality of life and standard of living of citizens in Trinidad and Tobago.

Airline and Tourism Sectors have been severely impacted.

Survey undertaken by TTCSI and TTMA

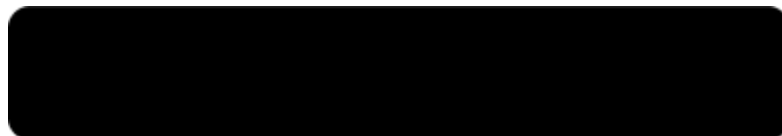
36% of businesses have terminated full-time employees

55% of businesses have terminated part-time or contractual employees

For companies who did not terminate staff, over 58% were furloughed employees

50% of employers who did not terminate staff, resorted to a reduction in wages





**Sector contributes
5.8% of GDP**

Leader in Caribbean construction.
PSIP in roads, infrastructure and costal development is
the backbone of national construction activity

**Sector value - \$9.4
billion**

88,700 workers

Marginally profitable,
and now operating
at break-even levels plagued
by lowered margins, weak
working capital, more
competitive bidding and
higher operating costs.

Significant accounts
receivables
and certificates of payments
outstanding from the
Government.

Plagued with antiquated
legislation and bureaucratic
procedures

Efficiency
in issuing
construction
permits

Overall
ranking

Compared to regional average in Latin
America 15.5 procedures and 191 days

Impact of
COVID-19
on the
Construction
Sector

Delay in implementation of
construction projects in
public and private sectors

Roadmap for Trinidad and Tobago

WHOLESALE RETAIL



Sector contributes 20% of GDP
(approx. \$29 billion per annum)

MICRO:	SMALL:	MEDIUM:	LARGE:
6,005	1,294	211	171
EMPLOYS:	EMPLOYS:	EMPLOYS:	EMPLOYS:
15,013	16,175	5,275	73,837



**Employs
110,300 persons**

Apart from supermarkets, pharmacies, hardware stores and agricultural shops, economic activity in the rest of the Sector has essentially halted, dislocating a significant proportion of the private sector in terms of sales, cash flow and employment.

SALES


- With lower disposable incomes by a significant percentage of the population, consumption patterns will change as consumers defer their discretionary spending

CASH FLOW


- Many businesses are unable to honour existing commitments into the foreseeable future

UNEMPLOYMENT

- Estimated 85,000



Impact of
COVID-19
on the Banking and
Insurance Sector



Sector contributes
approximately 7% of GDP



The world of banking and insurance has experienced a level of disruption that is unprecedented and will change everything that has been the norm in the delivery of financial services. There has not only been a major change in the way financial institutions conduct business, but in the way consumers manage their finances with a greater role for digital banking and insurance services. The pandemic can have a negative impact on the insurance sector given that they provide coverage for claims for death, health and other adverse contingencies.

Slowing equity markets, interest rates and increased probability of defaults have put pressure on banks and insurance balance sheets, banking and life insurance profitability, and investment management fees related to savings products. The challenges include (i) a lag for insurance claims to be notified to insurers, assessed, and paid; (ii) delays or losses in customers' ability to pay for credit, particularly mortgages; and (iii) approval of business loans (especially to small and medium enterprises), which are at risk due to the shutdown.

Local banking and insurance institutions are facing periods of high liquidity and constricted business. The social sphere, which is inextricably linked to banking and insurance, will be heavily impacted and this will be reflected in the loss of income, employment, and rising poverty levels.

Impact of
COVID-19

SMEs are at the centre of the economic crisis brought on by the COVID-19 pandemic. The current crisis has affected SMEs and their families disproportionately and has revealed their vulnerability to the supply and demand disruptions, with a serious risk that over 50% of the SME's will not survive the next few months. The impact of COVID-19 on SME's are loss of customers arising from "stay-at-home" closures, inability to meet rental obligations, inability to meet salaries and wage obligations, and the potential for permanent business closures.

CREDIT UNIONS

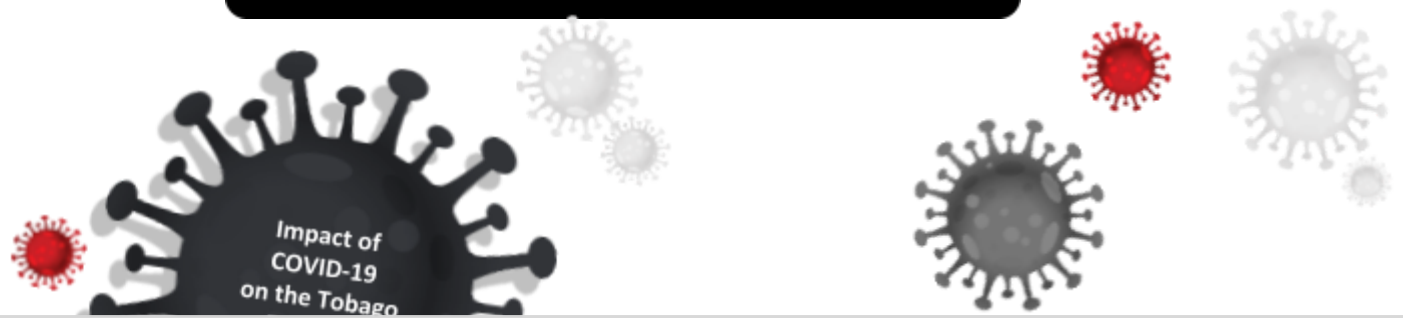
- 130 Credit Unions registered with the Commissioner for Cooperative Development (CCD)
- Total assets of TT\$16.8 billion

- Approx. 600,000 members (45% of the adult population)

Civil Society Organisations

- Increase in demand from marginalised and vulnerable individuals/communities.
- Decline in the availability of resources.
- Decline in contributions from public and private sources has hampered their ability to administer the required support.

**Many
CSOs are
at risk of
closure**



The tourism sector has suffered a severe shock on account of the closure of the borders to visitors, closure of restaurants and bars and even a sharp decline in inter-island traffic.



Cash inflows, including foreign exchange, have dried up and employees have been laid off.



The agriculture sector has been adversely affected. Areas such as livestock production, farm fresh produce and seafood products have been subjected to reduced access to inputs, increased levels of food spoilage and limited markets.



Declining revenues and increasing unemployment have resulted in loan defaults and reduced lending across credit unions and other banking institutions.



Many businesses face a cash flow crisis which has effectively shut down the economy and forced a growing number of workers to turn to the Government for social welfare.





2

SHORT-TERM ENVIRONMENT



2 Short-Term Environment

The Socioeconomic Impact

The first concern of the Government is the human impact of the COVID-19 pandemic. People are getting sick, with many of them facing dire challenges to their lives and livelihoods. These persons therefore must be the immediate to short-term focus for support by the Government. People have lost their jobs and many others are unable to earn an income because their places of work are simply not in operation. Schools have moved to online teaching and learning thus impacting children, and inherently their parents, who depend on the national school feeding programme for daily meals. It means that apart from the thousands of persons who are current beneficiaries of the social safety net, thousands more will need immediate support, whether it be for food, housing or special health support. Hence, the social services delivery system will not only be dealing with many more people, but it will be called upon to do many more things. In other words, there will be an immediate need for these services to be upgraded, both in terms of resources and in respect of the management of these services. The Roadmap will identify specific measures which will be taken in the very near future to ensure that the mantra of **'no one left behind'** becomes a reality.

The New Operating Environment

This Roadmap is anchored in the reality that in the short to medium-term one cannot speak of a return to business as usual **post**-COVID-19 until a vaccination becomes globally available. The WHO has predicted, *"based on existing evidence, the most plausible scenario may involve recurring epidemic waves interspersed with periods of low-level transmission."*¹ Consequently, while T&T has done well to control COVID-19 transmission, as a small, open economy, the country remains exposed to the significant potential of escalation of the pandemic when the national borders are eventually reopened and in-country *Stay-at-Home* measures are relaxed.

The Ministry of Health has developed a Public Health Framework which utilises an evidence and risk-based approach to rolling back the existing public health regulations. These adjustments will be deliberately managed and phased to minimise the risk of a resurgence, and will judiciously follow the WHO's criteria for adjusting public health and social measures (Figure 4).

¹ Considerations in adjusting public health and social measures in the context of COVID-19, WHO, 16 April 2020



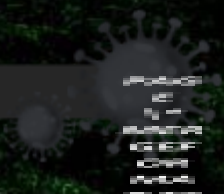
Figure 4: WHO's Guidelines for Adjusting Public Health and Social Measures

It is clear, businesses and people will not be in a position to return to their normal routine given the overarching measures to reduce the risk of contracting and spreading the virus. The broad characteristics of the immediate to short-term environment will involve:

- **Limitations on population density** effected by the Ministry of Health's '*Safe Return to Work Protocols*'. This will guide business and services on reopening of operations and can potentially create a sluggish restart for onsite work arrangements and commercial activities.
- **Fluctuations in the import-export environment** will potentially disrupt the supply chains of local enterprises that rely on imports and can also reduce the demand for traditionally exported products. However, COVID-19 may also unlock new export opportunities, particularly in the Caribbean, for products that can be locally manufactured such as hand sanitisers and hygiene products. Manufacturers may, therefore, have to retool to monetise the export potential of these essential product markets.
- **Restrictions on non-essential travel** as a mechanism to protect the population and reduce the import and export of cases, and avoid acceleration from T&T's transmission status from sporadic to community spread. In the current fluid environment of COVID-19, air and sea travel will continue to experience severe fall-outs. As a country located in a tourism-dependent region, the

possibility of reigniting economic activity from regional or international tourism will therefore have to be a longer-term objective with the sector using this time to redesign its ecosystem for an evolved tourism product in the future. However, since Trinidad and Tobago is a twin-island state, there is optimism and opportunity for bolstering domestic tourism between Trinidad and Tobago. In other areas, public transportation services will be significantly impacted and measures will need to be introduced to manage transmission by limiting vehicular density and installing protective barriers, ensuring PPE use and taking other appropriate measures for transport personnel and the travelling public.

- **Changes in the delivery of education** will also be significantly affected as physical learning environments remain high-risk areas for virus spread. Schools are not scheduled (and still tentatively) to reopen until September 2020. The knock-on socioeconomic effects of this, along with the impact on the parental workforce will demand more flexible working arrangements and the need for more digitised, remote work environments. This will affect employers both in the public and private sectors as they introduce and operate in new work arrangements.
- **Reimagining a new way of life** must be our immediate focus as the battle against the spread of COVID-19 relies heavily on individual human responsibility. The character of essential movement and essential consumption will change resulting in a drastic shift and potentially new way of doing business. The commercial, cultural and religious activities that depend on human congregation will be impacted and will require innovation of their operational models. Practicing safe physical distancing and hygiene/sanitisation protocols will also need to be indoctrinated into our psyche as key to our survival in reducing transmission risks. Building public trust in systems that are geared towards maintaining public health, reducing public sector bureaucracy, and rebuilding the economy will require strong accountability from the Government and advocacy by citizens and residents. On the other hand, there will also be calls for ‘unlocking’ the country on the premise that the economic fall-outs are just as dangerous to life and livelihoods. It, therefore, means that persistent reminders of the dangers of the current COVID-19 environment are needed and hence clear, consistent and effective communication, particularly at the Governmental level as well as private and civil society organisations, is an imperative.



3

ROADMAP OBJECTIVES



Roadmap for Trinidad and Tobago



3 Roadmap Objectives

The social and economic turmoil triggered by the crisis of COVID-19 demands a transformation of T&T's national value system and thoughtful, proactive reengineering of the country's approach to doing business. The immediate to short-term goal of this roadmap is **survival** by *"arresting the fall of the economy and setting it on a trajectory for positive growth"*. Survival demands that Government, in the first instance, provide direct support to those families, sectors and segments of the society that have been hardest hit by the disruption brought on by COVID-19.

Lives and livelihoods are at risk and every effort must be made by the Government, working in collaboration with the private sector and CSOs to avert a human crisis. The Committee envisages that a national focus on the following four (4) strategic objectives will revitalise the economy and mitigate against the embedded risks posed by the pandemic and other exogenous influences (Figure 5).

The Roadmap objectives are harmonised and integrated, and can be considered converging parts of the machinery of the economy. Equal attention and intervention must be placed on each objective to ensure that the immediate goal of national survival is met.

"COVID-19 will require a response like none before — a "war-time" plan in times of human crisis"

"We must minimize the social and economic impact of COVID-19 for everyone and stimulate a faster recovery everywhere"

Secretary General of the UN March 2020

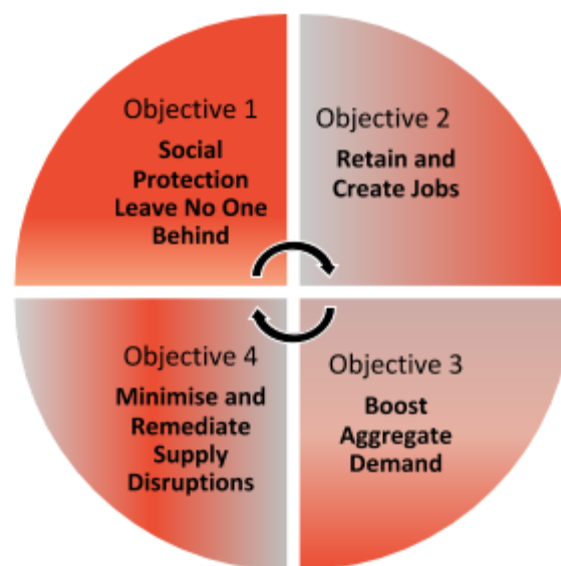


Figure 5: Roadmap Objectives

3.1 Objective 1 – Social Protection: Leave No One Behind

The pandemic has already caused unprecedented human dislocation of daily lives and livelihoods. It has created significant human suffering that will require the continued implementation of a robust safety net to cushion the impact on people who lack the resources to survive. To ensure this objective has the desired effect of buffering extreme poverty, plans have been formulated to invert the historical trend of mass injections in social services, without the corresponding change in poverty levels, in favour of more targeted interventions. The intent is to be more focused, efficient and effective in supporting our vulnerable groups. The principal strategies of this objective are to:

1. Effectively reach out to vulnerable individuals (including women, children and men) and communities and meet their basic needs in spite of the moral hazard created by an inefficient social services delivery system;
2. Boost the efficiency of social support services by correcting existing inefficiencies and harnessing technology to improve delivery and targeting of beneficiaries; and
3. Set the stage to build sustainability in the social safety net system with an underlying thrust towards the graduation of beneficiaries to independent income earners and wealth accumulation.

3.2 Objective 2 – Retain and Create Jobs

To generate the demand for products and services that would stabilise the economy necessitates deliberate attention to safeguarding employment and creating new opportunities for individual income earners. In the medium-term, this objective must extend beyond salaried opportunities and must be anchored in the nurturing of an integrated ecosystem with a strong affinity to innovation and entrepreneurship. The strategies are to:

1. Focus on settlement of outstanding liabilities to key sectors infusing working capital and liquidity support for further employment generation and economic activity;
2. Begin the dialogue of reengineering the workplace by integrating revised protocols for protecting public health and unlocking the lessons learnt from the current working arrangements and best practice;
3. Set the stage for the retooling of the national workforce through upskilling and building technological expertise that would allow for greater productivity, performance and first-class service; and
4. Revamp the Innovation and Entrepreneurship ecosystem unlocking youth and other entrepreneurship clusters aligned to accelerate our national recovery platform.

3.3 Objective 3 – Boost Aggregate Demand

Stimulating and maintaining aggregate demand are essential to reigniting the economy. Naturally, meeting this objective relies heavily on the country's ability to supply demanded goods and services while protecting and reigniting the market for these goods and services. The Committee's strategies to sustain and propel aggregate demand are:

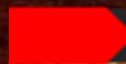
1. Increase Government spending as a stimulant while ensuring it generates social equity, has substantial development impact and is relevant/responsive to market demand;
2. Provide cash flow relief to households and businesses releasing income to divert to necessities; and
3. Stimulate a market for locally manufactured goods and services, particularly those with export potential.

3.4 Objective 4 – Minimize and Remediate Supply Disruptions

The country's ability to meet aggregate demand, in particular for essential goods and services depends heavily on ensuring that supply chains are restored. Consideration for reinstating operations in a COVID-19 world must also be factored in and take cognisance of the changes to demand, Ministry of Health's Guidelines, workplace protocols and a new environment of distribution and retailing for meeting this demand. The strategies to meet this objective are:

1. Provide justifiable liquidity support to qualifying enterprises that would restore, sustain and grow operations;
2. Improve the ease of doing business in T&T with an emphasis on digitisation, electronic services and process reengineering; and
3. Develop appropriate protocols with industry using international best practices to facilitate the safe and proper return to work.

The strategies proposed for rebooting the economy and the wider society require collaboration and **partnership** among the Government, private and civil society, **agility** in the supporting institutions and a **culture** that cultivates productivity, efficiency, performance and harmony. It also will require a philosophy of excellence in execution and a commitment to a new culture of being results oriented. Equally important, the recommendations detailed in this Roadmap take into account the significance of ensuring the important balance of public health and the sensitivity of the intangible and material changes arising from COVID-19.



SURVIVING THE CRISIS: **SUSTAINING LIVES AND LIVELIHOODS**



4 Surviving the Crisis: Sustaining Lives and Livelihoods

4.1 Protecting the Vulnerable and the Displaced and Using the Social Safety Net to build a stronger T&T

4.1.1 Expanding the Scope and Focus of Social Protection Programmes

The financial outlay on the safety net in general and for women and children, in particular, must be seen as a social investment and not simply as transfers. This is an investment in:

- Our vision of leaving no one behind;
- The social stability that will be necessary during a very trying recovery period;
- The human capital needed for building self-reliance among vulnerable persons;
- Creating gender equality and equity; and
- Ensuring that aggregate demand does not fall below the level required for steady growth.

The immediate focus will be on providing continued support to protect lives and livelihoods. As a consequence, the priority will be to:

- Provide funding to women who have become unemployed or lost their livelihood as a result of COVID-19 mitigation measures.
- Provide incentives to businesses to develop initiatives that create sustainable employment for vulnerable groups. To do this within an environment of COVID-19 will require new investment to get to some semblance of growth in the economy.
- Provide incentives to encourage individuals/businesses to support the establishment and maintenance of existing facilities and homes for at-risk children, youth and women.
- Reengineer the delivery of Family Services through the introduction of a coordinated mechanism supported by a Data Management System and one-stop mechanism, that can identify those households, women and children that may require support. This reengineered coordinated service delivery mechanism must include community level social support programmes offered by civil society and the private sector.
- Establishment an Integrated Community First Responder System to build resilient communities and sustainable responses to common issues impacting families and communities.
- Implement a suite of social care delivery measures targeting, *inter alia*, women affected by violence, elderly women living alone, female heads of households, women with disabilities and mental health challenges.



- Fund Government initiatives and support civil society organizations (NGOs, CBOs, FBOs) that provide social support for women and children, particularly those impacted by violence and those in need of day and night care child services because of extended hours of work and shift work.
- Work with CSOs to foster enabling environments that build the ability and capacity of women to help themselves and their children/families and transition them to a point of self-sustainability.
- Devise policies and measures to operate in the new environment by reorganising ways of doing business and doing work, taking cognizance of the need to create equity in the care and supervision of children and families. This will require retraining workers many of whom have been displaced and who are women and heads of households.
- Pursue and fund the implementation of existing strategies aimed at reducing all forms of violence in families and communities, in particular gender-based and youth violence. These strategies include the *National Strategy to End Gender-based Violence*, strategies to reduce violence in schools and communities and gang violence.

4.1.2 Deepening the involvement of Civil Society Organisations in the Delivery of Social Protection Programmes

- Build the capacity of CSOs and promote multi-partner collaborations to execute social services on behalf of Government thereby increasing public confidence and accountability in the dissemination of these services.
- Increase subventions to targeted charities, particularly those charities that are already providing services to some of the groups that are disproportionately impacted by the crisis i.e. women, children and unemployed youth.
- Expand the support now being given to churches to include other CSOs such as United Way, the International Red Cross, FEEL and the Salvation Army to name a few.
- Facilitate CSOs access to grant funding from multilateral developmental partners (like IDB, EU, UN – USAID and GEF, CDB, CIDA, DFID, JICA, etc). This will lessen the financial burden and dependency on the Government.
- Provide incentives to the private sector to support CSOs involved in creating employment opportunities at the community level with the focus on women, children and unemployed youth.
- Reduce the bureaucracy in the processing of CSO subvention applications and offer subventions for qualifying NGOs which should not be more than 30% of their annual budget.

4.2 Safely Restarting the Economy: Reigniting Aggregate Demand, Employment and Aggregate Supply

4.2.1 Health First: Adopting Workplace Protocols for the Safe Return to Work

Sustaining lives require the adoption of safe ‘Return to Work and Workplace Protocols’. This is critical to ensure the continued safety of the citizens and residents and the avoidance of a 2nd and 3rd wave of COVID-19. The Committee recognises that many sectors and state agencies have proactively developed protocols and have submitted these to the Ministry of Health and other relevant state agencies for their input and to ensure they are aligned to the Ministry of Health’s published Guidelines for the operation of businesses, institutions and Government Ministries/Agencies. The Committee encourages and recommends that this practice be universally adopted given the fact that the current COVID-19 environment will characterise the ‘New Operating Normal’. Thereafter, the Guidelines and relevant Protocols must be implemented through appropriate training programmes to ensure continuous adherence and implementation for individual, institution and community protection to avoid resurgence and community spread.

Sustaining lives also require that the Social Safety Net efficiently reach out to all who have been significantly distressed by the pandemic. This will require an increased outlay on social services, but more important, it will require an immediate upgrading of the service delivery system. In particular, the technological improvements discussed for many years now have to be implemented with urgency. We have to reach people faster and we have to respond to people in a timelier manner. In these matters, verification is always very important, but needs to be carried out in an efficient manner.

4.2.2 Adopting Policy Positions to Immediately and Aggressively Boost the Agriculture Sector

Making Trinidad and Tobago a more food secure nation goes beyond the implementation of specific initiatives. It demands a shift in our perception of Agriculture from being a manually intensive, high risk-low reward activity to one that is essential to the well-being of the country. Shifting the culture in Agriculture into one where locally grown food is on the preferred taste palate of every citizen and restaurant. Transforming the system of crop farming into one where open-field farming is not the only means of production but, through the use of temperature and light controls, a container is transformed into a greenhouse; and rainwater harvesting and modern irrigation techniques increase the reliability of water supplies.

In the short term, policy responses will be directed toward reducing the country's dependence on specific imported foods, increasing productive capacity and accessibility to domestic produce.

- **Increasing production to reduce dependence on imported food and inputs**

- Launch an Agriculture Stimulus Package of \$25 million geared towards the rapid expansion in production and marketing of selected high-demand agricultural commodities with short production cycles (3–12 months) such as, vegetables, legumes (e.g. pigeon peas), roots and tubers, grains (rice and corn), fruits (papaya, pineapple, melons, etc.), fish, and small livestock apart from poultry (sheep, goats, pigs, rabbits, bees, etc.). Focus will be placed on commodities where production can (i) be continuous (across seasons); (ii) create forward and backward linkages, including at the micro and small enterprise level; and (iii) increase the participation of groups such as the youth and women. Incentives will be targeted at strategic farm and food sector innovation and technology, increased private sector commitment to local agriculture development, and efficient food marketing and distribution. This is to be followed by a much larger Stimulus Package for a wider range of food items, including milk and meat.
- Secure adequate quality seeds, planting and animal breeding material and farm inputs and invest in the development of local alternatives.
- Incentivise oil companies with significant landholdings to invest in agriculture and share experiences from fertilizer companies.
- Actively pursue the use of wells previously drilled and unsuccessful in terms of producing oil to instead produce water that can be brought into WASA's water production system to augment agriculture and domestic supply.
- Encourage the use of alternative feedstock using root crops and fish waste.
- Review the current Agriculture Incentives Programme.
- Address land issues to ensure availability for both open field and protected farming by continued acceleration of land tenure issues and access to EMBD estates.

- **Strengthening the linkages along the food value and distribution chains to make locally produced food more available within the country**

- Guarantee state agricultural purchasing and distribution to supplement state-funded initiatives such as the school feeding programme, public hospitals and the protective services with increased local content.
- Increase the use of digital technology to augment the agriculture marketing and distribution chains between producers and consumers (social media, mobile applications, websites).



- Increase public education campaigns and food nutritional content information on local meals and produce to address the high incidence of non-communicable diseases.
- Influence the food service industry to provide meals that cater to local tastes (sweet potato fries, cassava fries).
- **Building a more technologically advanced agriculture system to increase the availability of domestic food supply**
 - Educate and implement zonal commodity programmes/planting schedules.
 - Commence the foundation work to create a centre of excellence in agriculture and biotechnology to build the capacity in the sector to accelerate research-backed new agricultural initiatives and the development of climate and disease resistant plant and livestock species.
 - Accelerate education and training on sustainable agricultural practices given the issues of climate change.
 - Provide incentives and encourage the implementation and use of water-saving devices.
 - Innovate domestic food production systems and invest in more technologically advanced and climate-resilient agriculture systems (vertical farming, aquaculture, organic farming).
 - Provide support in brokering stronger buyer-supplier relationships.
 - Accelerate work on revising the legislative framework to comply with international agreements (Plant Quarantine).
 - Assess the stockpiling needs of essential commodities to address situations such as the pandemic and other natural disasters (committee to identify these commodities).

The aim is to set the country on track to doubling our food production in two (2) years' time.

4.2.3 Increasing Spending in the Construction Sector

The Construction Sector is critical to jumpstarting and catalysing the economy once the COVID-19 public health restrictions are lifted. The immediate focus will be on boosting activity through an accelerated work programme that is driven by increased spending on the part of both the Government and the private sector. The priority will be to:

- Urgently restart Government projects that have already commenced. A total of 527 projects injecting approximately \$3.2 billion into the sector has been identified for immediate restart.

- Restart all manufacturing facilities on a phased basis using the Ministry of Health's guidelines and sector protocols and private sector projects to support the construction value chain and to facilitate retention of regional and hemispheric markets.
- Immediately restart the full raw material supply chain and regularise the quarrying and supply side architecture to ensure efficient, timely and cost effective project execution, and enhanced local content.
- Facilitate acceleration of new private sector 'shovel-ready' projects which conservatively exceed \$600 million, by reducing the time frame for regulatory approvals and facilitating their early execution.
- Advance other shovel-ready and near-term projects across the country, including the urban revitalisation of main city centres such as Port of Spain, San Fernando and Scarborough to reverse economic, physical and psychological degradation and reignite urban and economic life.
- Identify near-term projects to be tendered in Fiscal 2021 and beyond and create a 1-year firm look ahead pipeline to support planning and execution processes and ensure supply chain alignment. Potentially 72 State projects with an estimated total capital expenditure of \$1.8 billion can commence in Fiscal 2021. These are being reviewed and reprioritised.
- Immediately settle the significant tranche of debts owed to contractors and represented by outstanding certificates, using appropriate financing and funding mechanisms, to replenish liquidity and cash flow and improve confidence and private sector support.

Importantly, the Committee recommends that a high-level team reporting to the Prime Minister be appointed to develop a detailed plan to (i) de-bottleneck and eliminate sector bureaucracy; (ii) create an enabling framework; (iii) enact enabling construction-related legislation and regulations to support a smart, energy efficient, green, progressive built environment; (iv) improve the ease of doing business; and (v) digitise procedures and capture data to create an e-Construction Sector to catalyse private and public capital.

4.2.4 Providing Appropriate Relief to Business Enterprises particularly MSMEs

- Accelerate VAT payment refunds and other outstanding payments to the business community, in instances where VAT payments are long outstanding and allow for the netting off of VAT on equipment and raw material purchases with an appropriate sunset clause.
- Further reduce the Reserve Requirement and the Repo Rate in order to lower commercial lending rates, inclusive of the Merchant Bank licences. This measure

must be monitored to ensure financial institutions pass on the reduced rates to businesses and do not take this opportunity to increase their interest rate spreads.

- Urgently prioritize the availability of US dollars for all local non-energy manufacturers, inclusive of the insurance sector as it pertains to their payments of reinsurance premiums.
- Introduce a Liquidity Support Government Guarantee Programme of \$350 million at preferential rates through Commercial Banks (primarily for wages, rent and working capital) to ensure business continuity and employment sustainability for: -
 - Firms with an annual turnover of less than \$30 million (to consider 75% Government guarantee).
- Provide a moratorium on principal payments on liquidity support Government loans for at least six (6) months. This will provide further working capital support to SMEs without significantly incurring further debt commitments, allowing time for businesses to recover from lost revenues and customers.
- Increase the facility for the Credit Union Sector through NEDCO and other approved non-governmental institutions to enhance execution capabilities in providing immediate financial assistance to under-banked stakeholders from \$100 million to \$500 million.
- Eliminate VAT on technology products until 31st December 2021 for the promotion of innovation and enhancement in business enterprises.
- Extend the Tourism Sector Fiscal incentives for construction projects in the Sector commencing on or before 31st December 2020 to mitigate the uncertainty in the prevailing environment and start projects which might hitherto be postponed or delayed.
- Facilitate tapping into cheaper alternative food supply chains within the region and stimulate intra-CARICOM trade, through collaborative arrangement with the Ministry of Agriculture, Land and Fisheries, and the Ministry of Trade and Industry.
- Provide \$25 million in funding to NEDCO for the provision of grant support, not exceeding \$20,000, to MSEs including the un-banked. (1,250 MSEs targeted)
- Re-advertise Grant Fund Facility available for small manufacturers, agro-processors and steel pan manufacturers.
- Increase the availability of business incubator/accelerator hubs through NEDCO, CARIRI, YBTT and IBIS to assist in spawning new and viable SMEs. The focus should be on preferential loans, training and development, seed capital and investor network support, industry certification for better quality assurance, research and development support, innovation support and mentorship for emerging and existing entrepreneurs, particularly targeting the recently unemployed.
- Reenergise and refocus the Fair Share Programme to encourage entrepreneurship, promote training, development and certification, and provide opportunities for



MSEs to grow into successful medium and large businesses. By redirecting procurement to MSEs, the Programme can stimulate demand and positively impact MSEs (registered with the procurement system) that are experiencing difficulties.

- Complete and implement the Special Economic Zones (SEZ) Regime.
- Introduce utility payment plans for SMEs, where necessary.
- Provide incentives for new business ideas and innovation targeting the non-energy sector but with priority given to technology, health, food security and education.

4.2.5 Sustaining Economic Activity in Energy and Energy Related Industries

- Maintain schedule on upstream major projects and implement selected downstream maintenance activity. Some of the projects which will generate multibillion-dollar activity in the sector include:
 - Offshore
 - Compression (bpTT)
 - Matapala (bpTT)
 - Colibri (Shell)
 - Barracuda (Shell)
 - Ruby (BHP)
 - Onshore
 - Chinook and two additional wells (Touchstone)
 - Innis – Trinity CO2 EOR Project (Columbus Energy)
- Accelerate the Gas Value Chain discussions among all parties, augmented with the necessary technical analyses and support with a view to providing clarity and certainty of the Value Chain Structure in a volatile and sensitive environment so that all companies are able to invest and remain in operation.
- Provide liquidity support for the Energy Services Sector – Apart from support for the restructuring of debt among energy service companies, it is important to ensure payment of long outstanding Petrotrin debt to energy service providers which currently stands at \$100 million.
- Identify short-term business opportunities locally and regionally – Focus on facilitating business diversification among certified energy-based service providers by providing support for new opportunities in the local supply chain. Additionally, efforts should be made to explore the possibility of providing additional services directly to upstream operators in Suriname and Guyana, in light of the border restrictions in both countries.



- Work with the preferred bidder to facilitate the opening of the Guaracara Refinery in the shortest possible time.
- Create business opportunities and employment opportunities through well abandonment and environmental clean-up activities.
- Stimulate activity in the area of Energy Efficiency by immediately certifying accredited Energy Service Companies (ESCOs) to start the work of energy audits in the industry.
- Actively pursue the development of the hydrogen economy and green petrochemicals.

4.2.6 Providing Appropriate Financial Relief through Banking and Insurance Institutions and Credit Unions

Banking and Insurance

Banking and insurance institutions have a major role to play during this period, acting as supporting institutions to many individuals and businesses in society. The banking industry, in particular, is uniquely placed at the centre of providing liquidity support to individuals and businesses, in the immediate environment, in a quick and efficient manner. Simultaneously, however, the industry is vulnerable to portfolio delinquency and other shocks and may be adversely affected by the fall-out in provisioning, profitability, institutional and sector ratings and sustainability in light of International Financial Reporting Standards including (IFRS 9). The recommended actions include:

- Protect customers from loss of their homes through residential mortgage rate reduction and/or restructuring as required, working in collaboration with the Central Bank of Trinidad and Tobago.
- Provide cash flow relief for businesses and households
 - Deferral on payment obligations on loans payments (retail, mortgages/car loans/credit cards, business loans), and insurance payments such as life/general/motor vehicle and health) and Waiver of Penalty Fees.
 - Interest Rate reductions for retail, commercial and credit cards.
 - Reduction of the Reserve Requirement for Merchant Banks to facilitate interest rate reductions for their customers.
 - Redesign of insurance products to give customers greater flexibility in payments and benefits, and increase grace period for lapse of insurance policies
 - Deferral and amortization of health premiums on occupational plans on a case by case basis to prevent loss of health cover for employees of companies heavily affected by the economic downturn.



- For a limited period, allow motor and property insurers to offer structured payments on motor and property premiums of SMEs.
 - Provision of short/medium term loans by insurance companies to clients, subject to the value of their insurance coverage and temporarily allow clients to access amount accumulated in their personal registered deferred annuity contracts up to a 25% of the Fund up to a maximum of \$25,000, on a tax free basis.
 - Temporarily allow persons' access to amounts accumulated in their personal registered annuity contracts.
- Provide Government Guaranteed Loans at subsidized rate for MSMEs to restart business
 - Facilitate an environment of risk-taking through collaboration with the Central Bank on measures to provide confidence and stability to market participants. CBTT to provide liquidity support to commercial banks by providing quotes to purchase both short and long term Government paper on an ongoing basis. An appropriate market for this Paper could be created by the CBTT with the publication of buying and selling rates for long term and short terms bonds. This action will provide stability to the local financial market and:
 - maintain a stable low interest rate environment
 - provide banks and investor certainty on liquidity if required.
 - reduce volatility in the market
 - Restructure existing business and consumer loans by need.
 - Reduce interest rates for new non-government guaranteed loans for businesses by providing interest tax exemption.
 - Develop a junior commercial paper market (akin to Junior Stock Exchange) which will allow the business sector to access the capital market for short term funds.
 - Increase use of digital channels for Banking and Insurance via enabling legislation to widen access to existing products and expand availability of new products.

Credit Unions

- Maximise the breadth and reach of the Sector in dealing with small businesses and working-class individuals to reduce the impact on these groups as a result of COVID-19 related issues. This could be done by expanding the size and scope of the \$100M to Credit Unions for the Liquidity Support Programme targeting displaced workers, small businesses and sole traders.
- Initiate a working relationship between the Credit Union Sector and NEDCO via the Central Financing Facility to facilitate the development of the micro business sector by increasing the value chain activities, to enable growth oriented enterprises to maximise their potential.
- Use the Credit Union Movement to develop financially feasible co-operative enterprises.

- Implement the Enterprises to Excellence (E2E) Programme to accelerate the establishment and growth of (a) cooperative enterprises and (b) innovative and growth oriented entrepreneurs. The E2E Programme will target businesses that are: growth oriented with a goal of utilizing local inputs from the agricultural sector to achieve an upsurge in exports or import substitution; start-ups and/or upscaling cooperative enterprises that target agriculture and information technology; as well as other sectors.

4.2.7 Stimulating Economic Activity in Tobago

- **Boosting Construction and Infrastructural Development**
 - Accelerate the implementation of key construction projects. The new Crown Point Terminal Complex will be a stimulus to the accommodation and vehicle rental operations on the island. The Marina Construction at Cove will accelerate tourist type activities similar to those found at other Caribbean destinations.
 - Provide funding support to Hoteliers to engage in construction projects to conduct repairs and upgrades including energy efficiency upgrade to properties during the period of low visits.
 - Extend soft loans to homeowners to carry out repairs to houses.
 - Explore channels to supply sand and aggregate from Hardrock and Studley Park quarries to Trinidad and other Caribbean locations such as Guyana.
- **Supporting the Resurgence of Tobago Businesses**
 - Extend an operating grant from the THA \$50 million allocation to facilitate a skeleton staff to maintain and secure hotels and guest houses during the lockdown. Allocate post-lock down funding to support employee retention and training and to operationalize the businesses and prevent the collapse of the tourism industry. To be supported by government policy on employee retention, furlough, and retrenchment.
 - Facilitate Room Upgrade Plans through reducing bureaucratic restrictions to accessing government grants.
 - Reduce Stamp Duties to promote ownership of villas and condominiums and remove import duties on tourism-based products for two years.
 - Implement virtual training with the Caribbean Hotel & Tourism Association in compliance with the Green Key initiative and enhanced health and safety requirements such as Stay Safe certification.
 - Decentralize regulatory approval processes for administrative procedures that can be conducted in Tobago.

- **Expanding Agricultural Activity**

- Explore new and innovative farming techniques such as aquaculture, to achieve increased food production.
- Increase and improve agro-processing facilities to add value to primary agricultural products.
- Develop a labour swaps and skills alignment programme in the THA aimed directly at the CEPEP and graduates from the relative tertiary institutions to move to the agricultural and agro-processing sectors.
- Encourage PPPs in the development of the agriculture sector utilising state assets such as Hope Farm.
- Reduce the minimum acreage to qualify for the recent incentives by the Department of Food Production.
- Allow farmers with land title issues to utilize affidavits and Certificates of Comfort to access services and support.
- Intensify the “Eat Local Campaign” and review the Tobago’s School Feeding Programme towards incorporating more locally produced products in its meal plans.

- **Boosting Local Tourism**

- Promote a Local Tourism Campaign aimed at stimulating economic activity and promoting local expenditure through firstly a “Staycation Campaign” focused on package deals for Trinidad residents and secondly, a “Tobago Homecoming Campaign” focused on the T&T diaspora.
- Provide free sea bridge transportation for three (3) months to persons travelling without vehicles.

4.2.8 Discouraging Imports of Luxury Goods

- Develop and apply a luxury tax, with an appropriate sunset clause, to discourage the importation of luxury goods across all categories and save on foreign exchange reserves. The Committee recommends that the Ministry of Finance develop a list of the luxury goods to be targeted.

4.3 Enabling Environment

COVID-19 has gifted T&T with an incredible window of opportunity to reinvent itself and trigger transformative change at a deep and broad societal level. The Committee is advocating for a series of cogent, practical and compelling actions in the areas of **Ease of Doing Business, Building Institutional Capacity, Critical Supporting Infrastructure and National Value System**. These actions will support and even guarantee the success of this Roadmap as they cut across

all sectors and will enhance the adaptability of the society to the dynamic force of COVID-19 and globalisation.

4.3.1 Building a Digital Nation: Making it Easy to Do Business

T&T ranks 105 out of 190 countries in the World Bank's Doing Business 2020, the detailed ranking for each criteria is depicted in Figure 6. Compared to Jamaica (71) and St. Lucia (93), T&T has considerable improvements to make in business regulation to promote efficiency and ease of doing business nationally. Conversely, even with T&T's bureaucratic process of obtaining regulatory approvals, the regulatory institutions continue to struggle with their responsibility to protect natural resources and provide overall transparency. The environmental approval process is one such example where an Environmental Assessment Report in T&T requires 10 months to prepare and averages 1,000 pages while in the United Kingdom the report completion time averages 16 weeks and 300 pages.

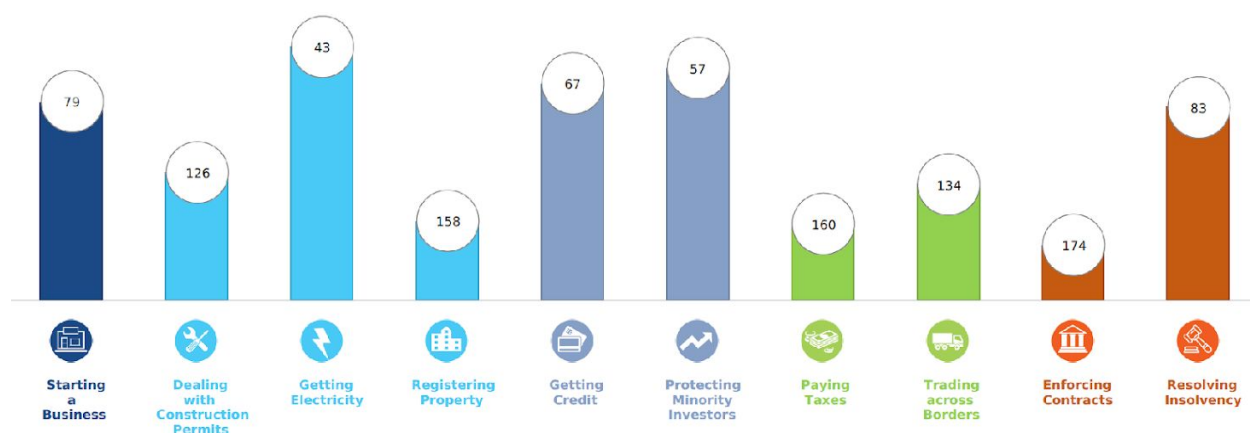


Figure 6: T&T Rankings on World Bank's Doing Business Topics²

All of the sub-committees, particularly the sectoral groups that drive the economy (construction, manufacturing, energy, etc.) have advocated for immediate reform in the ease of doing business in T&T. Based on the World Bank's analysis (Figure 6), T&T's worst performing categories were in: Dealing with Construction Permits, Registering Property, Paying Taxes, Trading Across Borders and Enforcing Contracts. Effectively, the concepts of digital transformation, launching of electronic services and processing, and financial technology are critical pillars to improve the ease of doing business. The Committee recommends the following measures:

² T&T Profile on Doing Business 2020. World Bank Group

- **Accelerate the process of building a Digital Government** - Establish digitisation procedures and initiate the digitisation process that adopts a centrally-led and collaboratively-delivered model to enhance the delivery of e-services including social support and most importantly to develop a data-driven, decision-making environment.
- **Create an e-identity for each citizen and permanent resident** that:
 - is mandatory to access Government services and is managed by the Government in a government-controlled private data centre.
 - Integrates all existing identifiers. This will require a robust-re-registration process and effective personal data protection.
 - supports the electronic processing of all Government services and digital commerce activities.
 - addresses the digital divide between old and young, urban and rural user, and the rich and poor.
- Develop an open-source data platform to support economic stimulating activities and builds transparency in accounting for Government expenditure.
- Implement e-payments for Government services.
- Implement electronic systems for processing Customs declarations and orders.
- Incentivise new business ideas and research and development that gives priority to innovation-oriented and entrepreneurial culture in technology.
- Develop a successful FinTech ecosystem (cashless society) that encompasses:
 - Adoption of the eMoney policy and Regulatory Sandbox
 - Creation of a FinTech innovation hub
 - Execution of a strategic public education campaign.
- Legislative reform and updates - including to the Cyber Crime Bill, Data Protection and Electronic Transaction Acts - that will enable the digital transformation and safeguard cybersecurity, particularly among financial institutions.

4.3.2 Building Institutional Capacity

The deficiencies in the institutional capacity of the public sector impose a high transaction cost and great inefficiency for citizens and other users of Government services. The challenge lies both in the antiquated systems and workforce which require substantial reengineering. Targeted intervention in this area will create an enabling framework to improve the probability of success of the Roadmap and all future development initiatives. The Committee recommends the following:

- Execute a Government-wide data analytics intervention to identify and prioritise high-value projects that will increase operational efficiency, revenues and maximise development impact.
- Amend the legislation to allow for the roll-out of new fiscal measures that will complement the strategies proposed in the Roadmap.
- Process reengineering of the approval and permitting processes for business activity.
- Develop a 10-year Workforce Development Plan based on a needs analysis and the objectives of:
 - recruiting, training, compensating and retaining institutional knowledge; and
 - cultivating performance-driven governmental institutions.
- Accelerate the build-out of a digital nation by securing the right talent with the core technical skills that support digital transformation and capabilities to manage disruptive technologies (robotics, AI and block chain).
- Review and revise the labour environment to promote industrial relations peace.
- Institutionalise and legislate Accords/Concordats/Agreements between Government, Labour, Private Sector and Civil Society that will create a space for respectful dialogue in addressing the transformation guide and facilitate the environment of harmony needed over the next 12 months.

4.3.3 Critical Supporting Infrastructure

The bedrock of socio-economic stabilisation and growth is the delivery of efficient and high-quality public utilities. Fundamentally, the execution of the Roadmap's strategies relies heavily on the provision of a reliable telecommunication platform, consistent electricity supply, reliable waste management services and a dependable supply of water. The Committee recommends the following measures to advance the sectoral, social and enabling initiatives:

- Engage and incentivise service providers to expand advanced telecommunication networks and ICT infrastructures including 5G networks, secure data centres and cloud-based platforms.
- Release additional spectrum to service providers to expand the national broadband connectivity to 100% and improve access speeds within the next six (6) months using the resources of the Universal Service Fund.
- Expand TT WIFI access in public spaces free of charge using the resources of the Universal Service Fund.
- Set an ambitious target for increased electricity generation from renewable sources and in so doing maximise the monetary value of natural gas resources.
- Immediately improve energy efficiency among the national population.

In terms of the water supply, the pandemic has shown us quite clearly that we need to move quickly and holistically to fix the water system in the country and to get the appropriate funding to make that happen. We cannot continue with a water environment that is not optimal and poses health and safety risks. Therefore, achieving and sustaining high-quality, continuous (24/7) potable water as well as meeting the expanding needs of the agriculture sector and industry are pressing national priorities requiring urgent solutions. The water sector goal is to achieve water security under any conditions, through the sustainable preservation and use of freshwater resources. The Committee recommends the following urgent plans to boost water supply needs of the country:

- Secure appropriate long-term funding to facilitate a holistic approach to addressing the issues of the sector.
- Install community rainwater harvesting systems to supply unserved and under-served communities and provide a standby supply of non-potable water with the added benefit of flood mitigation.
- Execute a national groundwater development programme that includes rehabilitating existing groundwater assets that are un/under producing.
- Utilise unused water assets handed over from Petrotrin/Heritage to supply water to nearby communities.
- Launch a non-revenue water reduction programme to plug the financial and physical losses by metering customers, managing network pressures and replacing dilapidated assets.

4.3.4 Reigniting our National Value System: Creating an Environment of Harmony and Inclusiveness

The shift away from the poor work ethic, apathy and inaction that have become characteristic of the T&T society requires the adoption by all citizens, championed and exemplified by the leaders (including politicians) of the country, of a new way of thinking, creating and living. This starts with a vision that is relatable, relevant, and engaging in possibility and positivity. The framework for reigniting the national value system is encapsulated within the national watchwords - **Discipline, Production and Tolerance** and universally embraces the principles of **Safety, Harmony, Inclusiveness and Productivity**.

The overarching strategy of the Committee is to create a platform for national dialogue to engender change in the national identity of the Trinbagonian toward one of i) physical, psychological and emotional safety, ii) collaboration in nation building, iii) delivery of fairness and equity, iv) generosity to be our sister's/brother's keeper, and v) productivity to achieve in all spheres of the society. In furtherance of this strategy, the Committee recommends:

1. Revival of key institutions to drive change in our national identity including the Productivity Council and NTAC;
2. Building an open and transparent Accord among the social partners - Government, the trade union movement and the private sector for productive engagement in an environment of peace and harmony. An environment of discord and acrimony will be unproductive and exact a heavy price on the development of our country;
3. Media messaging around the Roadmap and transformation initiatives;
4. Implementation of a two-way channel of C2G (Citizen to Government) and B2G (Business to Government) for dialogue and participation using eParticipant and eConsultation technology;
5. Implementation of a mechanism to solicit and incorporate the views of the public;
6. Mobilisation of civil society and alliance partners to listen from the ground and respond through partnerships;
7. Rebirth of T&T's Art and Culture using online artistry and technology; and
8. Building of youth-SHIPS - mentorship, internship, leadership, and entrepreneurship.

These actions will set the tone for the future and will ultimately be the bedrock on which the new society that we aspire to is built.

5

MANAGING THE FISCAL CRISIS



5 Managing the Fiscal Crisis

The Minister of Finance has estimated that the impact of revenue and expenditure, due to the impending double storm i.e. COVID-19 and reduced oil price, the country's deficit for this financial year ending September 2020 will move from \$5 billion to \$15 billion. Furthermore, it is expected that expenditure levels at the end of the calendar year will continue to be high, on account of COVID-19 social services support, as we attempt to leave no one behind.

The future environment for oil prices beyond US\$25 per barrel will continue to challenge the country's revenue. In addition, the expected sluggish recovery of our Caribbean neighbours' tourism-related economies will have major impact on our manufacturers export earnings and by extension, their profitability. Finally, taxation from the financial services sector would also be under some pressure as these institutions grapple with increased levels of provisioning for losses. In anticipation of this environment, cash flow management by the Government will be critical in the wake of rising expenditure and reduced revenue. In times of crisis, the demand for funding, especially risk capital far exceeds the Government's ability to supply. It is envisaged that based on the options available, new forms of financing will be needed to facilitate the execution of much needed capital projects (Appendix 2).

A detailed analysis of the funding requirements for the implementation of this Roadmap along with the recommended menu of financing and revenue raising measures will be provided as part of the Final Report of the Committee.



6 EXECUTING THE ROADMAP



Roadmap for Trinidad and Tobago



6 Executing the Roadmap

Executing this Roadmap in these unprecedented times requires a more calculated and accelerated approach to generate the expected results. The drastic shift in our lifestyles and its associated consequences require a joint accord and call to action from all stakeholders to readjust to a new normal. The new normal demands that we reflect on the way we learn, work and develop our economy.

In an environment in which fiscal resources must be judiciously managed, a joint commitment among the public and private sectors, academia, civil society, trade unions, the diaspora and multi-lateral development partners is a prerequisite for our survival. Central to this partnership is the understanding that each stakeholder plays a key role and we must leverage our comparative strengths at the table. Accountability and transparency must also be core in this process. Therefore, it is critical to create the right governance mechanism through the establishment of an **Execution Task Force** to ensure that this Roadmap to Recovery becomes a tangible reality to our citizens and residents. This mechanism must report at the highest level, matching objectives with key performance indicators to meet the desired outcomes.

In operationalizing this Roadmap, the role of creating the enabling environment that facilitates development lies with the public sector. Translating these recommendations into policies, programmes and projects will reignite economic activity, reshape our short-term, and serve as a platform for a new growth trajectory. The private sector, in continuous dialogue with the Government, is expected to drive economic growth in the medium to long-term. In this regard, the creation of this Execution Task Force will draw from these resources and will remain operational throughout the life of this Roadmap.

This Task force will be responsible for the following:

1. Developing a detailed Implementation Plan with clearly defined targets, key activities and expected outputs.
2. Implementing a robust Monitoring and Evaluation framework aimed at ensuring the key performance indicators (KPIs) are identified for monitoring and tracking the progress of deliverables.
3. Providing oversight and accounting for delivery of the various priority projects and initiatives.
4. Coordinating outputs from the Sectoral Delivery Teams and partner with representatives from public and private sectors and civil society on fast-tracking outcomes in key result areas.
5. Identifying implementation challenges including shifts in global trends and apply effective problem-solving measures.

6. Providing comprehensive reports to the Prime Minister which assess performance and progress against the agreed objectives.

The analysis undertaken by Professor Theodore and the HEU demonstrated the potential impact on the economy with or without an appropriate stimulus package (Figure 7).

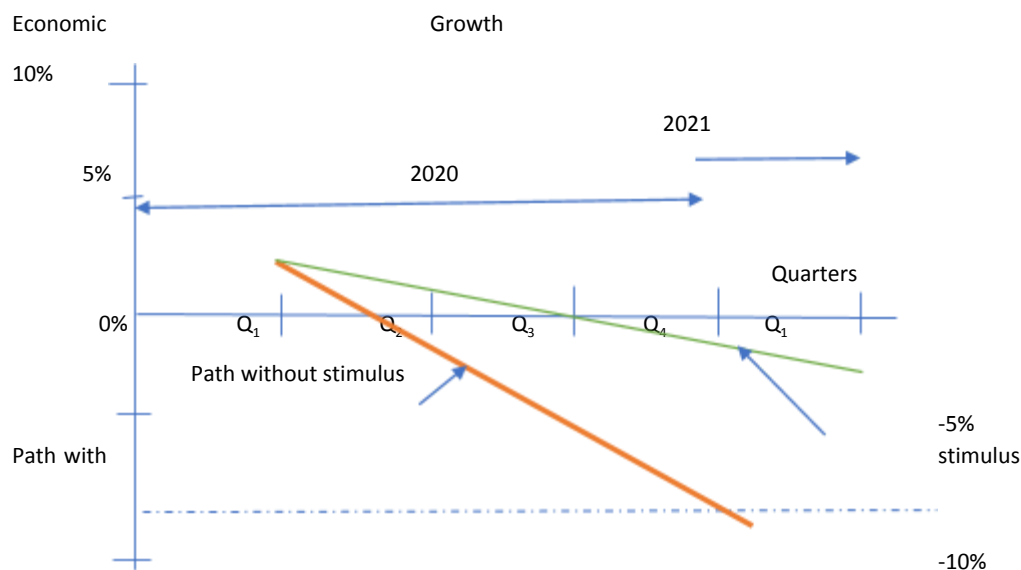


Figure 7: Economic Impact of COVID-19 with and without Fiscal Stimulus

Source: HEU, Centre for Health Economics, UWI

The series of initiatives advanced in this Report, especially those in the Construction, Energy and Manufacturing sectors are all geared towards reducing the steepness of the curve and its consequential impact. This would be achieved by stimulating the different sectors through facilitation of the private sector shovel-ready projects while allowing the Sectors to stay alive in anticipation of better times ahead.

It is the Committee's expectation that these initiatives, if adopted in a timely manner, would result in a further flattening of the downward decline curve and allow the country to emerge even faster to positive growth by the 2nd quarter of 2021.

Execution will be key together with timely distribution of funds to ensure that confidence is restored within the shortest possible time. The goodwill created with the settlement of long outstanding government debt should be harnessed and not shuttered via a quick reversal to past activities.

The experience of COVID-19 has clearly revealed many of the inefficiencies and poor execution capabilities of our social services and, by extension, the public service. It has also shown the high reliance on Government in keeping the economy afloat even with these inefficiencies. The modernisation of the public service around an architecture supported by digital technology and e-identity is inescapable and must be addressed. Appropriate financial resources and structures need to be put in place immediately to facilitate the timely execution of this objective.





APPENDICES

APPENDIX 1

APPENDIX 2



APPENDIX 1

Government's Stimulus Package

INITIATIVE		APPLICANTS/RECIPIENTS & LEVEL OF SUPPORT	PROPOSED NUMBER OF BENEFICIARIES	PROJECTED COST
1.	SALARY RELIEF GRANT	Phase 1 <ul style="list-style-type: none"> Persons registered with NIBTT who were terminated, suspended without pay or had their incomes reduced. Applicants entitled to up to \$1,500/month for 3 months. Must have no other source of income. 	Up to 100,000. Over 38,000 applicants to date.	TT\$400-Mn.
		Phase 2 <ul style="list-style-type: none"> Persons outside the NIS and BIR systems e.g. self-employed persons. Applicants entitled to up to \$1,500/month for 3 months. 	TBD	Together costing Up to \$200-Mn.
2.	RENT RELIEF GRANT	<ul style="list-style-type: none"> Persons who have lost their jobs or incomes as a result of COVID-19 measures Entitled to \$2,500/month for 3 months 		
3.	FOOD SUPPORT GRANT	<ul style="list-style-type: none"> Current recipients of food cards. Cards to be topped up over 3 months 	25,101	Over TT\$17-Mn.
4.	TEMPORARY FOOD SUPPORT CARDS	<ul style="list-style-type: none"> Families with children registered under the School Feeding Programme. Not current recipients of food cards Entitled to \$510/month for 3 months. 	Estimated at 20,500	Over TT\$25-Mn.
5.	PUBLIC ASSISTANCE GRANT	<ul style="list-style-type: none"> Current recipients to receive additional support over 3-month period. Increase of \$150, \$300, \$450 or \$500 depending on size of the family. 	17,824	Over TT\$22-Mn.
6.	DISABILITY GRANT (Adults & Children)	<ul style="list-style-type: none"> Current recipients to receive additional support over 3-month period. Increase of \$150/month 	23,092	
7.	INCOME TAX REFUNDS	<ul style="list-style-type: none"> Persons entitled to refunds not exceeding \$20,000. 	25,095	TT\$240-Mn.
8.	VAT REFUNDS	<ul style="list-style-type: none"> Businesses entitled to refunds not exceeding \$250,000 	Over 3,800 recipients	TT\$260-Mn.
		<ul style="list-style-type: none"> Businesses entitled to refunds greater than \$250,000 but not exceeding \$500,000. 	TBD	TT\$200-Mn.
		<ul style="list-style-type: none"> Businesses entitled to refunds exceeding \$500,000 	TBD	TT\$3-Bn. in interest-bearing bonds
9.	SPECIAL FOREX WINDOW THROUGH EXIM BANK	<ul style="list-style-type: none"> Established importers of food, sanitary products, pharmaceuticals, PPE, etc. Allocation of US\$25Mn./month for 3 months 	TBD Qualification criteria to be revised to facilitate	US\$75-Mn.

			medium-sized manufacturers	
10.	CREDIT UNION SUPPORT GRANT	<ul style="list-style-type: none"> Members provided with loans at interest rate of up to 50% of existing rate (e.g. decrease from 12% to 6%). Entitled to \$5,000/month for 3 months. 	Available to all members	TT\$100-Mn.
11.	CHURCH GRANT	<ul style="list-style-type: none"> Food supplies to be distributed to persons in their community. Churches will receive grants totalling \$10-Mn. /month for 3 months. 	TBD	TT\$30-Mn.
12.	GRANTS TO TOBAGO	<ul style="list-style-type: none"> Tobago Regional Health Authority: to cater for COVID-19 related expenses. 	NA	TT\$50-Mn.
		<ul style="list-style-type: none"> THA: to help small businesses registered under the Enterprise Development Programme 	Available to all small businesses	TT\$5-Mn.
		<ul style="list-style-type: none"> Tobago hoteliers: to upgrade their premises in preparation for post-COVID-19 activities. 	Available to all Hoteliers	TT\$50-Mn.
13.	DEFERRALS ON MORTGAGES	<ul style="list-style-type: none"> Tenants with the Home Mortgage Bank and Trinidad and Tobago Mortgage Finance Company Limited Deferrals for a period of 3 months initially. Could extend up to 6 months 	Available to all tenants	NA
14.	DEFERRALS ON MORTGAGES AND RENTALS	<ul style="list-style-type: none"> Tenants with the Housing Development Corporation Deferrals for 2 months initially but with possible extension 	Available to all tenants	NA
15.	INITIATIVES OF COMMERCIAL BANKS	<ul style="list-style-type: none"> Customers of commercial banks entitled to: <ul style="list-style-type: none"> Moratoria on loan and mortgage instalment for 3 months Waiver of penalty interest on overdrafts Reduced interest rates on credit cards. 	Available to all customers	NA
16.	INITIATIVES OF CENTRAL BANK	<ul style="list-style-type: none"> Reduction of the reserve requirement for commercial banks from 17% to 14% Reduction of Repo Rate from 5.0% to 3.5% 	Customers to benefit from a 1.5% fall in the prime interest rate.	Injection of over TT\$2.6-Bn. of liquidity in the banking system

APPENDIX 2

MENU OF FINANCING AND REVENUE RAISING							
Source of	MEASURES				TIME		
Funding	3		6		FRAME	1	
	U month	U	month	EU	U	ye T	
Heritage and Stabilisation	\$ s	T0	S	T	RO	S	ar T
Pumping tax loop	0	0 B	047	0		067	0
Multilateral	B		1 M	0		7 M	5
Borrowings World	2	13		B			B
Bank	05	6.0					
IDB	050	2.4					
CAF China	4M	8 B	45	3.0			
D.B.			91	620			
Other			3M	822	106		
Domestic				6 M	1 M		
Borrowing TT Savings	478	3.2					
Bonds 15 Year Debt	0 M	5 B				220	1.
Instrument	264	1.79				6 M	5
Private Debt Capital	0 M	5 B					B
Market Secured Trade						500-1,00	3.4 -
Finance Other -	50	3.				0 M	6.8 B
Extraordinary Cash	0	4					
Realization Portfolio, Sale of	M	B					
Insurance Facility & Sale of Oman Plant						409	2,784
Portfolio/Warehousing							
ii. Public Private						5 M	6 M
iii. Assets Sales/Warehousing			150-20	1.02 -		150-20	1.02 -
Partnerships							
TOT	3.2	10.3	088	5.56 B	106	20M	149 B

Based on Central Bank of Trinidad and Tobago selling rate as at May 8, 2020 €1 = 4 B

TT\$ 7,760 on Central Bank of Trinidad and Tobago USD selling rate as at May 8, 2020 US\$1 =

TT\$6.7993